

WORKFORCE SERVICES STEM INITIATIVE

EXECUTIVE APPROPRIATIONS COMMITTEE
STAFF: STEPHEN JARDINE

ISSUE BRIEF

SUMMARY

On May 7, 2014 the Department of Workforce Services (DWS) announced it would use \$5.0 million of excess federal TANF funding to offer STEM grants. This initiative had neither been reviewed nor discussed with any legislative committee despite the Social Services Appropriations Subcommittee reviewing and considering items to be funded using \$107 million of excess TANF authority.

Questions

There are two main questions related to this use of \$5.0 million TANF funding for STEM:

- Would the discussion of this funding, had it happened during the 2014 General Session, have changed legislative policy and appropriation choices with regard to STEM?
- Should the statutory exemption for TANF funds from the federal funds review process (as found in [63J-5-103\(2\)\(d\)](#)) be removed so that TANF expenditures are routinely included in that federal funds review process?

BACKGROUND

The Department of Workforce Services (DWS) administers the federal Temporary Assistance for Needy Families (TANF) program - a flexible funding source for states to assist needy families. DWS spent \$46.8 million in TANF funds in FY 2013. In order to qualify for using TANF Funds, the TANF expenditures must meet one of the four TANF purposes: 1) provide assistance to needy families so that children can be cared for in their own homes; 2) reduce the dependency of needy parents by promoting job preparation, work, and marriage; 3) prevent and reduce the incidence of out-of-wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families (a more detailed discussion of possible uses of TANF funding can be found in *\$107 Million of Excess Federal TANF Spending Authority*, May 2014, located at: <http://le.utah.gov/ComPub/pdf/5875.pdf>).

Budget Highlights

During the 2014 General Session, DWS indicated it had \$107 million in excess TANF spending authority. In response, the Legislature reviewed possible uses for this excess TANF funding (see [Uncertain One-time Uses for TANF Funds](#) and [Likely One-time Uses for TANF Funds](#)). The Legislature eventually authorized \$17.3 million in additional TANF funding and used intent language to direct DWS how to proceed. The STEM initiative was not part of these TANF deliberations.

DWS STEM Initiative Highlights

On May 7, 2014 DWS announced two new STEM grants: 1) \$1.0 million using Special Administrative Expense Account funding (which had been reviewed and authorized by the Social Services Appropriations Subcommittee) and 2) \$5.0 million using excess TANF funds (which had not been reviewed or discussed before any Legislative committee).